

Frame Technology Corporation  
1010 Rincon Circle  
San Jose, California 95131  
408.433-3311  
FAX 408.433-1928

April 1, 1993



Sender's Name Steve Kirsch (408) 922-2708

To John Duhring

Company WAs

FAX Number 415-327-6513

Message:

Please treat this confidentially.

August 11, 1993

# WAIS/InfoSeek

## Business Proposal

For discussion purposes only.  
Not a formal proposal

### Background

InfoSeek is a company in the process of being formed whose mission is to make information easily accessible. Our basic product is a query tool with indexing capability and a very capable viewing engine which is tightly coupled to the query tool. Everything is based on industry standards, but with certain value-added features to help differentiate our products from future competitors.

Rather than try to develop all the technology itself, InfoSeek would like to license existing technologies when possible. There is no sense spending money to re-invent the wheel when our funds can be better spent doing the front-end user software, marketing, and promotion. To this end, we will be licensing viewing and search/indexing technology from other partners.

### Proposal

We propose that WAIS, Inc. be the supplier of the underlying query engine (client and server side) and be responsible for ensuring that this technology is Z39.50 compliant such that it can access any Z39.50 database. The software shall be provided in source code form so that we can add value in certain areas as well as port and support the code on multiple platforms. In addition, WAIS shall advise us on our system design to make best use of WAIS technology. If in the future, WAIS gives any reseller a more favorable price and or terms, WAIS shall promptly notify us and offer us the same deal.

Our responsibilities are to do our best to market the technology and report any bugs in the software. Any feature requests we have that are above and beyond WAIS's current development plans shall be individually negotiated. We will probably develop proprietary protocol extensions that only work on our servers as a means of differentiating our products from others.

In return for the on-going consulting and source code relationship, we will pay WAIS a royalty commensurate with our success:

- \$40K one-time source code license
- \$4 per year per end user. This would be payable quarterly based on the average number of active users during the quarter (\$1/avg # active users).

The royalty is low because our income is low. Our plan is to keep our prices extremely low to get huge volumes. The objective is not to make money. Our objective is to deliver on the WAIS vision of making information available cheaply and the only way to do that is to get huge volumes.

---

Proposal

---

Our current plan is to try to charge \$20 per month per user. We may have to lower this in order to get significant penetration (possibly as low as only \$120/year/user). In any event, the price to WAIS will remain stable.

The royalty rate was determined by considering that our internal engineering expenses plus all outside royalties (viewer, search engine, transaction software, portability software, printing technology, sgml parsing technology, DCE technology, EDI software) should not exceed 15% of our revenue.

If we sign up just 1% of the Internet, this amounts to \$560,000 per year to WAIS. At 1M users, the number of users on Prodigy, the numbers start looking interesting for WAIS; \$4M per year. Also, note this is based on the number of active users, not the number of new users. So the number should grow exponentially each year.

The amount of exclusivity is at WAIS's discretion. Obviously, we'd like to be the only player in this business, but we don't want to preclude WAIS from making deals advantageous to WAIS. On the other hand, WAIS recognizes that the more successful we are, the more successful WAIS will be. In a sense, it is in WAIS's best interest to keep the applications relatively exclusive so that we're not competing on price against a competitor with identical products.

---

August 11, 1993

# InfoSeek

## Corporate Backgrounder

---

### Mission

InfoSeek's mission is to deliver products that make it possible to instantly find information stored anywhere in the world. Using a single, easy to use query tool, users connected to the Internet can simultaneously search and retrieve information from multiple local and remote collections.

---

### Products

InfoSeek's principal product is a graphical user interface query tool for UNIX, Mac, and PCs that knows how to talk to information providers on the Internet using public and private protocols. Users can use this front-end tool to:

- create ad hoc queries
- store "clipping service" queries to be run at set times
- browse on-line collections

The software uses a high performance WYSIWYG viewer with instant reformatting and direct page access. In addition, a search/retrieval engine is included with the product so that users can index and retrieve their own data.

The software costs \$20/month per user; information usage fees are additional. As with a Visa card, once a user has an InfoSeek account, he can access data from any participating "merchant." We consolidate all invoices and bill the customer once each month. Vendors are compensated the full amount of their bill to the customer, minus a small overhead charge.

Our goal is to make it as easy as possible for information vendors to get started and have instant direct access to a huge customer base at very low overhead. Information vendors may make their servers available to our front end by supporting Z39.50 or by using software that we supply. Our indexing software allows information resellers (e.g., Dialog, Mead, etc.) to differentiate their collections, even though the underlying data may be identical (e.g., from IAC).

Until Z39.50 servers are more widely available, InfoSeek will be providing data directly to users from various news and information databases. However, once equivalent information is commercially available, user searches will be re-directed.

---

### Background

InfoSeek was started by Steve Kirsch. Steve was the founder and president of Frame Technology, a \$60M/yr document publishing software company (NASDAQ: FRAM) as well as founder and president of Mouse Systems (privately held). InfoSeek has been financed through private and corporate investors.